GOVERNMENT OF INDIA
FINANCE AND COMPANY AFFAIRS
LOK SABHA

STARRED QUESTION NO:64
ANSWERED ON:22.11.2002
NON PERFORMING ASSETS
BHAN SINGH BHAURA;PRAVEEN RASHTRAPAL

Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state:

(a) the non-performing assets each of the Public Sector Banks and Financial Institutions as on September 30, 2002;

(b) the quantum of such advances given by each Public Sector Bank and FI to non-priority sector;

(c) whether the Government propose to allow the banks to publish the names of defaulters so as to black list them;

(d) if so, the action taken/ proposed to be taken in this regard; and

(e) the other concrete steps taken/ being taken by the Government to recover the NPA ?

Answer

MINISTER OF FINANCE & COMPANY AFFAIRS (SHRI JASWANT SINGH)

(a),(b),(c),(d)&(e): A Statement is placed on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a), (b), (c), (d) AND (e) OF LOK SABHA STARRED QUESTION NO. 64 FO 22ND NOVEMBER, 2002 REGARDING ` NON-PERFORMING ASSETS` BY SHRI PRAVEEN RASHTRAPAL AND SHRI BHAI SINGH BHAURA.

(a) & (b):- Information relating to non-performing assets of the public sector banks and financial institutions is available upto 31st March, 2002. Details of the gross non-performing assets in respect of each of the public sector banks, and of these the quantum of non-performing assets in the non-priority sector, as on 31st March, 2002 are given in the Annexure. Details of gross non-performing assets of financial institutions are also given in the Annexure. Financial institutions have no priority sector lending commitments.

(c) & (d):- As per the provisions of the banking laws, names of only those defaulters against whom suits have been filed can be disclosed. Reserve Bank of India publishes a list of suit filed cases with aggregate outstanding loan of rupees one crore and above on annual basis. RBI also publishes a list of cases of willful default against whom Banks and Financial Institutions have filed suits for recovery of funds (Rs. 25 lakhs and above) on quarterly basis. Both these lists are available on RBI`s website www.rbi.org.in (publication).

(e):- Government of India and RBI have advised the banks and financial institutions to take various steps for recovery of dues such as evolving and implementation of recovery policy by banks, compromise settlement through Settlement Advisory Committees and filing of suits in Debt Recovery Tribunals (DRTs). Banks have also been advised to use the forum of Lok Adalat for compromise settlements. RBI in July, 2000 had also introduced non- discretionary and a non-discriminatory One Time Settlement scheme for NPAs upto Rs. 5 crore.

Credit Information Bureau has been set up to disseminate information on borrowers to the Banks. Corporate Debt Restructuring (CDR) scheme has been put in place to provide a transparent mechanism for restructuring of corporate debts of viable entities facing problems due to internal and external factors. Further, to facilitate foreclosures and enforcement of securities in cases of default and to enable the banks and financial institutions to realize their dues, `The Securitisation & Reconstruction of Financial Assets and Enforcement of Security Interest Ordinance, 2002` has been promulgated, and its replacement Bill has also been introduced in the House.